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**BEFORE THE**

# Federal Communications Commission

**Washington, DC 20554**

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| In the Matter of | ) | |
| | ) | |
| 2010 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996 | ) ) ) ) ) ) | MB Docket No. 09-182 |

To: Secretary, Federal Communications Commission
Washington, D.C. 20554

FILED/ACCEPTED

JUL 12 2010

Federal Communications Commission
Office of the Secretary

**COMMENTS**

Mt. Wilson FM Broadcasters, Inc., licensee of stations KKGO-FM, Los Angeles, California and KGIL(AM), Beverly Hills, California (hereinafter "Mt. Wilson") hereby respectfully submits its Comments to the Federal Communications Commission Notice of Inquiry (hereinafter "Notice") pertaining to the 2010 Quadrennial Regulatory Review.

Mt. Wilson is a family-owned company which commenced FM operation in the late 1950s.[1] The Los Angeles radio market comprises 45 or more full-power commercial and noncommercial radio stations. The market has radically changed in the ensuring 50-plus years and is now dominated by two radio entities. Competition. Localism and Diversity remain legitimate goals. The existing current Multiple Ownership Rules (and their immediate precedents) do not promote any of these goals, indeed to the contrary, the

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1 Attached as Appendix 1 is a brief history of the licensee and Saul Levine, President of Mt. Wilson.

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current rules foresee the demise of owners with few stations, limited competition among the few owners with many stations, the end of Localism, the end of Viewpoint and Program Diversity. Revision is necessary – the caps and sub-caps must be lowered.

## Response to Competition Inquiries

Para. 32: As long as a reasonable number of independent station owners remain, the most significant factor for measuring the level of competition in the marketplace is (will be) revenue-percentage of the stations in the market. The relevant product for a commercial radio station is "airtime," specifically, the sale of airtime to advertisers. The factors which affect the sale of airtime include class of station (AM/FM, FM the most preferred); format; coverage area; licensee innovation; price; number of stations in the market; number of stations owned or controlled by a single entity in the market and throughout the country. In a recent "buy" deal, Clear Channel acquired the entire "buy" throughout the country of a major advertiser by using their groups of stations to outbid every other radio station in the United States. Reducing the caps locally and nationally is the only way to preserve meaningful competition. Leaving the caps as they now exist or raising the caps will further reduce the number of independent stations, further reduce the number of station owners, further reduce competition and further function as a catalyst for anti-competitive activity.

Para. 33: The product is the sale of airtime. The consumers are (1) the advertisers and (2) the listeners. Consumer welfare (whether advertisers or listeners) is enhanced by having multiple choices. Choices, in turn, include not just the number of stations in a market but also the number of independent/separate owners. The more separate owners, the more innovation, the more Viewpoint Diversity, the more competition. Competition, by its inherent nature, provides consumer choices.

Para. 34: Commission regulation over content (other than indecency/obscenity) is prohibited by the First Amendment. "Whether consumers are getting the content they want from broadcast media" can best be ascertained by reference to documentation reporting revenue-percentage of individual stations. Should the number of station owners continue to decline (paragraph 4) and "competition effectively reduced to a handful of owners operating pursuant to the permissible caps, the revenue-percentage measurement will be of no avail.

Para. 35: Advertiser consumer satisfaction can best be measured by empirical revenue percentage documentation reflecting revenue percentages for each station in the market. Listener-consumer satisfaction can be ascertained by surveys, essentially reflecting popularity – information not relevant to the Multiple Ownership Rules. The existence, however, of specialty stations (i.e., classical music, ethnic-oriented, country) is that such programming is directed to a significantly smaller group and, thereby, provides no meaningful information in terms of overall listener consumer satisfaction.

Para. 36: The most reliable measurement method for advertiser consumer satisfaction is empirical revenue-percentage documentation. Listener-consumer satisfaction is based on program format and can be determined by standard surveys. Broadcasters always will provide programming oriented to what the consumer-listeners want to hear without FCC regulation. Ignoring what the consumer-listener wants to hear obviously would result in reduced or no revenue. The Commission's focus on consumer-listeners serves no meaningful purpose in terms of Multiple Ownership Rule revision.

Para. 37: The most logical way to measure consumer satisfaction and to ensure the continuation of specialty programming oriented to women, racial and ethnic minorities is to create an environment where the independent broadcaster can realistically compete. Pragmatically, reducing the caps both numerically overall and as to the number of FM stations owned by one entity is the only way to ensure the continuation of specialty programming. A substantial factor underlying the 39% decrease in the number of broadcast station owners (paragraph 4) can be attributed to the permissible caps authorized by past FCC action. Reducing the number of stations held by a single owner in a market and reducing the number of FM stations held by a single owner in a market are the most effective way of promoting competition. Specifically, Mt. Wilson suggests that the current cap of eight stations in the largest markets be lowered to five stations, not more than three in the same service with comparable reductions in the smaller markets.[2]

Para. 38: Radio and television outlets operating in the same market and owned by a single entity should be analyzed collectively both in the radio and television markets. The co-ownership of a television station functions as an asset to co-owned radio station revenue and, therefore, should be analyzed within the radio market. While Mt. Wilson is not suggesting a prohibition on television/radio ownership, it is strongly suggesting the necessity of adopting and maintaining lower caps on the permissible number of radio stations (and especially FM stations) owned in conjunction with television stations.

Para. 39: Empirical data reflecting market revenue for radio and television stations covering an extensive time frame is available. The use of such data will verify decline in the number of station owners and decline in the percentage

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[2] It is an incontestable fact that FM radio stations are the most preferred by advertisers, the most popular with the listening audience and the most lucrative. In addition, digital radio provides FM stations the capability of multicasting, including distant co-owned out-of-market FM stations. Digital radio is subject to the Multiple Ownership Rules. To preserve and assure competition, the multicast carriage of co-owned out-of-market stations should be counted toward the permissible cap limits.

of market revenue of licensees with two or less stations vis-à-vis licensees with the current maximum permissible number of stations.

Para. 41: Program formats are a significant factor to advertisers and listeners. Formats, however, are the prerogative of the licensee. While it is proper for the Commission to enact rules intended to promote competition, differences in program preferences is within the sole control of the licensee and is not a factor adversely affecting competition.

Para. 45: The market place reflects the economy. The economy in turn can be characterized as cyclical – subject to recurring business changes. Much of the world, including the United States (and the broadcast industry), has experienced a "down" cycle over the recent past. Conversely, the United States (including the broadcast industry) appears to be on an "up" cycle (see Appendix A). The point is that a revision of the Multiple Ownership Rules should acknowledge the existence of "up" and "down" cycles and take into account the "booms" as well as the "busts." Market revenue percentages constitute a more accurate picture of competition irrespective of the cycles. Eventually, unless the decrease in station ownership is reversed, fewer owners with more stations will compete with each other, absent the soon to be extinct owners with two or less stations. The ultimate objective is to preserve competition for all radio operators, not just the major owners. It is unconscionable that the Commission would destroy the very fabric of broadcasting existing since the beginning of the 20th Century. Preserving competition for all radio operators requires reduction of the caps and reduction of the permissible number of FM stations within the caps.

Para. 51: Insofar as radio, the Internet can function as a selling tool. Broadcast radio stations and advertisers recognize that the ability to compete is enhanced by streaming – additional listeners.

## Response to Localism Inquiries

Para. 54: Localism as defined in paragraph 54 ("designed to foster a system of local stations that provide programming responsive to the unique concerns and interests of the audience within the station's service areas") will serve the public interest as mandated by the Communications Act and should be retained. Selection of programming/format, of course, belongs to the licensee. Nevertheless, the goal (as defined in paragraph 54) can be effectuated without infringement of the First Amendment by establishing Localism program standards – such as the television station standards for children's programming required by Section 73.671 of the Commission Rules. Specifically, Localism can be achieved by regulation, i.e., annual, biannual, mid-term, biennial, whatever) reports based on composite weeks and designated relevant program categories. Localism provides all licensees the opportunity to innovate, to be creative and, therefore, to be more competitive.

Para. 55: As stated in the response to paragraph 54, Localism can be evaluated by establishing minimum program standards similar to the method employed to ensure the airing of children's programming. The reference in paragraph 55 to the continuation of the Commission's "traditional approach" is incorrect. The "traditional approach" (involving the use of composite weeks and designated program categories) was abandoned in the 1980s and Localism, thereafter, has been at most a mere afterthought. In addition to the examples of possible measurement methods set forth in paragraph 55, broadcast airtime should also be a factor.

Para. 56: Audience satisfaction is reliably measured by empirical data reporting station revenue percentages in the market. However, audience satisfaction is not a realistic measurement of Localism. Audience satisfaction primarily focuses on format and Localism (except in rare cases) is not a significant factor in determining format.

Para. 57: The quantity of local content and the time that local programming is aired constitute more reliable measurement methods than the alternative proposal as to the number of local journalists, the number of local news bureaus or expenditures on local news. All of the aforesaid alternative factors involve licensee monetary overhead expenditures. While these factors have a degree of relevance to Localism, such factors provide an unfair "edge" to the larger well-financed stations.

Para. 58: Consumers listen to or view primarily sports/entertainment programs. Accepting the aforesaid premise, however, does not mean that stations should ignore news, public affairs, debates, etc. or should be excused from having to air locally oriented programs. Localism as defined in paragraph 54 represents a well-meaning objective and should not be evaluated on the basis of popularity.

Para. 59: Programming oriented to minority groups can be evaluated by content in the same manner as programs oriented to the general audience. Locally oriented news, public affairs, debates should be deemed "local" irrespective of the ethnic group or the language. Entertainment/sports should not qualify as local.

Para. 60: Even if the Internet is a factor promoting Localism, it will not wholly replace broadcast stations. Broadcast stations will continue to be a viable source of programming, including locally oriented programs. The Internet simply provides another choice. Moreover, a significant number of radio stations are streamed on the Internet and, therefore, the Internet would function as an alternative source for access to radio station locally oriented programs. In short, the availability of new technology provides an additional choice for over-the-air radio listeners – but not a substitute for over-the-air radio.

Paras. 62-65: Localism should remain as an essential licensee obligation. The Commission should enforce Localism by establishing minimum standards. However, the Commission has no legitimate role in terms of specific program content.

## Response to Diversity Inquiries

Paras. 66-67: Viewpoint Diversity is closely related to Localism and should be construed to mean programming directed to the market in which the station is located. The more independent station owners in the market, the more Viewpoint Diversity in the market.

Para. 69: Program diversity is best ensured by more independent owners. Common sense dictates that more program diversity within the market will exist among eight independent owners than a single owner of eight radio stations.

Paras. 71-72: Viewpoint Diversity goals only can be achieved by having more independent station owners. Paragraph 4 of the Notice reflects a steady decline in station ownership over a 14-year time span. The Commission's ownership rules have progressively permitted ever-higher caps over the aforesaid time period, the result, a significant contributing factor leading to the decline of station owners and the decline of Viewpoint Diversity – in short, a failure. To reverse the trend and to protect and encourage competition, it is necessary to lower the current caps. Lowering the caps would reflect the Commission's intention to protect and encourage competition and to promote Viewpoint Diversity. Common sense dictates that innovation, creativity and ingenuity among eight independent owners will result in more Viewpoint Diversity than a single owner of eight stations. Mt. Wilson's position is that the Commission should adopt rules permitting an acceptable level of station consolidation (see paragraph 37) wherein independent station owners can provide Viewpoint Diversity, program diversity and locally oriented programming, in short compete.

Para. 75: Viewpoint Diversity and program diversity inherently connote viewpoints and programming from diverse groups, i.e., women and minorities. While Viewpoint Diversity and program diversity are available in most markets, station ownership by women and minorities is proportionally abysmally under represented. Federal government endeavors and FCC-initiated ownership caps have not been successful – as is evidenced by the percentages set forth in paragraph 75. The Mt. Wilson comments pertaining to Viewpoint and Program Diversity are equally applicable to women and minority ownership diversity. In the response to paragraph 37, Mt. Wilson suggested that the current caps be lowered. To facilitate ownership diversity, licensees with stations in excess of the cap should be required to divest to minorities and women and/or entities controlled by women and minorities.[3]

Para. 86: Pragmatically, the ultimate purpose of the Mt. Wilson Comments is to support the adoption of rules which will allow independent station owners to compete with owners of consolidated stations. In a market such as Los

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[3] Divestiture is neither new nor novel. Divestiture was incorporated into the Multiple Ownership Rules in 1975 in connection with television/newspaper ownership and resulted in several divestitures (Multiple Ownership, 33 RR.2d 1603 (1975), affirmed 60 RR.2d 99 (1980)).

Angeles, two entities controlling the maximum permissible number of radio stations dominate the market. In 2009, the two entities received more than 75% of the total market radio revenue (excluding Spanish and religious revenue) based on empirical revenue percentage documentation.[4]

Multiple station ownership pursuant to the current caps will eventually lead to still fewer station owners. FM radio signal quality is superior to AM radio. Additionally, Digital Audio Radio (DAR) provides the capability of multicasting. In order for the independent station to survive and to compete, caps and sub-caps must be lowered. The current caps and the sub-caps are not sufficient to preserve competition as is evidenced by the steep decline in radio ownership. The retention of independent stations ensures more competition, more Localism, more Viewpoint Diversity. Independent local radio stations function as the town halls of America. Reducing the number of town halls to a paltry few is contrary to the public interest, contrary to basic democratic principles and functions as a cruel blow to grass roots America.

Paragraph 86 also inquires as to whether the Commission should "... account for other sources of audio programming in applying the [local ownership radio] rule." Specifically, it is necessary to provide clarification as to counting multicast stations in determining compliance with the caps. The Multiple Ownership Rules specify caps and sub-caps (Section 73.3555(a)). Section 73.401 (DAR) states that

> "This subpart contains those rules which apply exclusively to the digital audio broadcasting ...service and are in addition to those rules in Subparts A, B, C, G and H which apply to AM and FM broadcast services. . . ."

The Multiple Ownership Rules are classified under Subpart H. Consequently, DAR is subject to the Multiple Ownership Rules.

4 Competition is further skewed by the fact that only one major national rep firm exists. Both of the dominant entities are represented by the firm (a total of 15 radio stations, including imported out-of-market FM stations) and one of the dominant entities owns the rep firm. There have been instances where the rep firm has "packaged" all stations of both entities. Mt. Wilson has terminated its representation with the firm and its national sales revenue has dramatically declined. The ability of the rep firm to transact successfully "buys" as described is founded on the number of stations controlled by a single entity. The adverse impact on competition is a logical result. Lowering the caps and requiring divestiture would be a positive asset to competition.

The Second Report and order (22 FCC Rcd 10344 (2007)) established DAR and states "... we will permit radio stations to use their frequencies as the marketplace dictates". (Ibid., Para. 29). With respect to compliance with the caps and attribution, the Commission sanctioned "flexibility in structuring business arrangements and attracting capital", including time brokerage agreements, "subject to our attribution rule" (Para. 40). At paragraph 42, the Second Report and Order addresses attribution.

> "42. A number of commenters raise issues regarding the interplay between multiple audio streams, brokering, and ownership issues.[86] Specifically, PIC argues, and we agree, that a licensee owning the maximum permissible number of stations in a particular market should not be allowed to acquire additional broadcast streams through time brokering agreements.[87] Under the Commission's established policies for attribution of such agreements, we count the brokered station toward the brokering licensee's permissible ownership totals under the local broadcast ownership rules. Where an entity owns or has an attributable interest in one or more stations in a local radio market, time brokering of another station in that market for more than 15 percent of the brokered station's broadcast time per week will result in counting the brokered station toward the brokering licensee's ownership caps.[88] We clarify that, in the multicast context, a station owner who programs more than 15 percent of the total weekly hours broadcast on a digital audio stream of another station in the market will be considered to have an attributable interest in the brokered station. The interest attributable to a station owner in such circumstances is equivalent to the percentage of total broadcast time that the stream which is attributable to the station owner constitutes. Under a time brokering agreement, licensees must ensure that they maintain full, effective, and ultimate control over all material aired on their stations. Therefore, time brokering agreements do not raise transfer of control issues under Section 310(d) of the Act." (Footnotes omitted)

Paragraph 42 recognizes the "interplay between multiple audio streams, brokering, and ownership issues". Broadcast audio streams, when combined with more than 15% of the brokered station's broadcast time, is deemed an attributable interest.

Licensees are now importing to distant markets co-owned out-of-market stations and broadcasting the signals (in their entirety) via multicasting (see Appendix B).[5] While Mt. Wilson acknowledges licensee flexibility to "structure business arrangement," including importing co-owned stations. Mt. Wilson submits that such imported station (particularly where 100% of the imported programming is controlled by the importer) should be counted as an attributable interest. The need for clarification arises in the light of a recent FCC Staff decision. which held that attribution does not include an imported station "as long as a licensee owning the maximum permissible number of stations in a particular market does not acquire additional broadcast streams on non-commonly owned stations through time brokerage agreements" (Saga Communications of New England, LLC, DA 10-702 (April 27, 2010)). Such reasoning is wholly irrelevant to the Multiple Ownership Rules. The FCC Staff decision ignores the 100% program control and effectively would permit a single owner of eight stations in a market, including five FM stations, to multicast at least an additional ten imported FM stations as long as the imported stations are co-owned. The Staff decision ignores Competition, Diversity and Localism. The distinction between co-owned and brokered is illogical. The nature of such imported station is not affected by whether it is co-owned or brokered and, therefore, should be counted as a station pursuant to the Multiple Ownership Rules. The Staff decision is contrary to the intent of the Second Report and Order (which never

[5] Obviously, imported multicast stations provide neither Localism nor Viewpoint Diversity.

contemplated such factual situation) and contrary to the Multiple Ownership Rules. Nevertheless, the advent of such decision requires clarification.

Respectfully submitted

MT. WILSON FM BROADCASTERS, INC.

By: Saul Levine

Saul Levine
President

Date: July 12, 2010

APPENDIX 1

SAUL LEVINE/MT. WILSON FM BROADCASTERS, INC. ARTICLE

# Saul Levine Voted #8 Best Off-Air LARP of 2010

**(June 29, 2010)** "Feisty" and "unique" are just two of the adjectives used to describe one of this year's Best in local radio. Eighty active Los Angeles radio people voted **Saul Levine** as #8 on the 2010 list of the best off-air LARP. His peers recognized the achievements of the president / gm of Mt. Wilson FM Broadcasters, owners of KKGO ("Go Country 105") and KGIL ("Retro 1260"). Saul also is the President of Global Jazz, which now manages all-Jazz KKJZ emanating from the California State University, Long Beach campus.

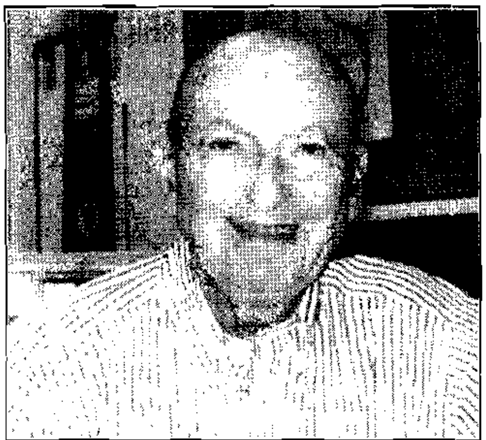
No one in Southern California has served longer as a station general manager than Saul Levine. Born in Cheboygan, Michigan, Saul attended several schools including the University of Michigan, Cal Berkeley, USC Graduate School of Social Work and the University of California School of Law.

"In order to start up KKGO [KBCA] in the late 1950s, I managed to borrow a modest amount of capital to build the station. These limited funds were assisted by the purchase of the fm transmitter from a company in Massachusetts that had gone off the air and agreed to accept $1,500 for the equipment."

A home-built fm antenna was built in a garage for $300. The station's FM pole at Mount Wilson was traded for advertising. "The offices and studio consisted of a 20 foot by 20 foot room divided in half," said Saul. Out of these small quarters, Saul's stations were present on both the AM and FM dials. Saul went on to say that the station broadcast a Classical format which he thought was "the world's greatest." Yet the combo wasn't particularly lucrative. KFAC AM & FM was giving away the FM time with the purchase of AM time. Advertisers refused to buy FM advertising when they could receive it free, so less than a year later, KFAC/fm became KBCA and changed to all-Jazz music.

When Emmis' KZLA dropped their exclusive Country format in the market four years ago, Saul eventually made the move to flip his 105.1 frequency to "Go Country" KKGO. The station has been very successful with its stand-alone format. In February 2009, the Saul Levine owned-and-operated Mt. Wilson FM Broadcasters celebrated its 50th anniversary of continuous operation under his leadership.

#8 Best Off-Air LARP of 2010



Saul Levine

Some of those who voted for Saul commented:

- "Love him or hate him, most of us are jealous that we can't do what he does – run his stations his way."
- "Saved Country music when Emmis thought it was through."
- "Whatever you think about his stations, he saved KKJZ from extinction, and he is keeping the giant radio companies honest."
- "He keeps taking on the big guys."
- "Single ownership in LA? Causing CBS fits? You have to admire him."
- "A man who loves radio. He knows what he wants and how to get it."

APPENDIX A

# BROADCAST ECONOMIC RESURGENCE ARTICLE

# Local broadcast a major plus in CBS Q1 resurgence

2010-05-05 16:19:00

President/CEO Leslie Moonves

You couldn't see CBS Corporation's executives during the company's 5/5/10 conference call, but you could practically hear the ear-to-ear grins as it announced that Q1 2010 revenues and profits were up, and were pacing up into Q2 and into the future.

President/CEO Leslie Moonves said, "Q1 momentum is continuing into Q2 and beyond." He noted that CBS is yet another company benefiting from belt tightening. He said three factors have contributed to the successful quarter: Great success at the network in both regularly scheduled programming and special events; a remarkable turnaround in local broadcast; and growth among cable channels.

The $3.53B in Q1 revenues represented a 12% increase over Q1 2009, led by 19% gains Local Broadcast, 15% growth at Entertainment and 8% at Cable Networks.

Even better comps were turned in under the adjusted operating income before depreciation and amortization, or OIBDA, category, which was up 40% to $351.3M.

Local TV revenues were up 29% to $323.7M, and radio revenue was up 9% to 282.7M. Local broadcast's combined OIBDA was up 148% to $134M.

Radio in particular was thriving in the top ten markets, where revenues were up 15%. Moonves also noted that radio pacings in Q2 were running in double digits.

In the end, the company lost four cents per diluted share to $26.2M, compared to an eight cents per diluted share loss in the same quarter in 2009.

Moonves commented, "We got off to a tremendous start in 2010, as our businesses across the Company capitalized on the improving operating environment. Network television is enjoying a robust scatter market, and with CBS in first place, we will be able to monetize what promises to be a very active Upfront. Our strength in primetime also establishes CBS as a leading beneficiary of the dual-revenue-stream broadcast model that continues to emerge, rewarding us not only with strong advertising revenues, but also a growing share of the retransmission consent fees that have now become a fact of the business. In addition, we're building our other recurring revenue streams, including syndication and premium cable – a business that continues to achieve new financial and creative highs."

"Meanwhile, the economic recovery has also been a boon to our expanding Interactive platform, and our local TV and radio operations, which are in the midst of a dramatic upswing," he noted. "Ad sales and pacing for these businesses have been up sharply so far this year, and we expect political advertising to heat up as the November elections approach."

Moonves continued, "As importantly, with our lower cost structure throughout the Company, the revenue growth we're seeing is translating to higher margins. Going forward, we'll maintain our focus on expenses, and add to the recent steps we've taken to strengthen our balance sheet and deliver value to shareholders. As always, we will keep creating and distributing the absolute best content out there. That remains the best strategy for success both today and well into the future."

CBS Corporation Executive Chairman Sumner Redstone summed it all up. "I could not be more pleased with how CBS performed in the first quarter of this year, and I'm confident that Leslie and his management team will build on this success as the economy continues to recover. We've focused on strengthening our already solid financial position, building new efficiencies throughout the Company, and investing in our top-quality content businesses – and I look forward to all that we will do to build on these accomplishments this year and beyond."

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- Radio stock rebound evaluated
- Independent MN gubernatorial candidate makes his case on radio
- Major market radio station sales not out of the question for Emmis
- Classical gasp: FCC deal approval likely to chase Mozart off KFUO-FM
- Liberman wins arm-wrestling match with Cumulus over TX CPs
- CC Cares Radiothon raises $240,000 for Nashville flood victims
- Entercom enters the parade of happy media companies
- Salem's Q1 flat; broadcast down 2.3%
- Disney/ABC drawing lines in Citadel reorg process
- Internet radio increasingly competitive in 2010

### TVBR - TV/Cable News

- Scripps TV is up, but newspaper drags down the bottom line
- CBS and Fox return to NAB
- DISH Network increases revenue but sees profit decline
- ABC Daytime launches "What If" webisodes
- Gray rides the recovery wave in Q1 2010
- Comcast/NBCU deal needs bridge over troubled Maxine Waters
- Big 12, Pac-10 talking about partnership for TV alliance, football schedules
- Tribune files for its waives of the future
- NBC picks up three: The Event; Outsourced; Love Bites
- FCC opens up probe into Honolulu three-station TV agreement

**APPENDIX B**

# CBS MULTICASTING OUT-OF-MARKET CO-OWNED STATIONS INTO LOS ANGELES AND WASHINGTON, D.C. MARKETS

# CBS Radio adding markets via HD for WBZ, WFAN, KROQ, KSCF

2009-10-30 13:17:00

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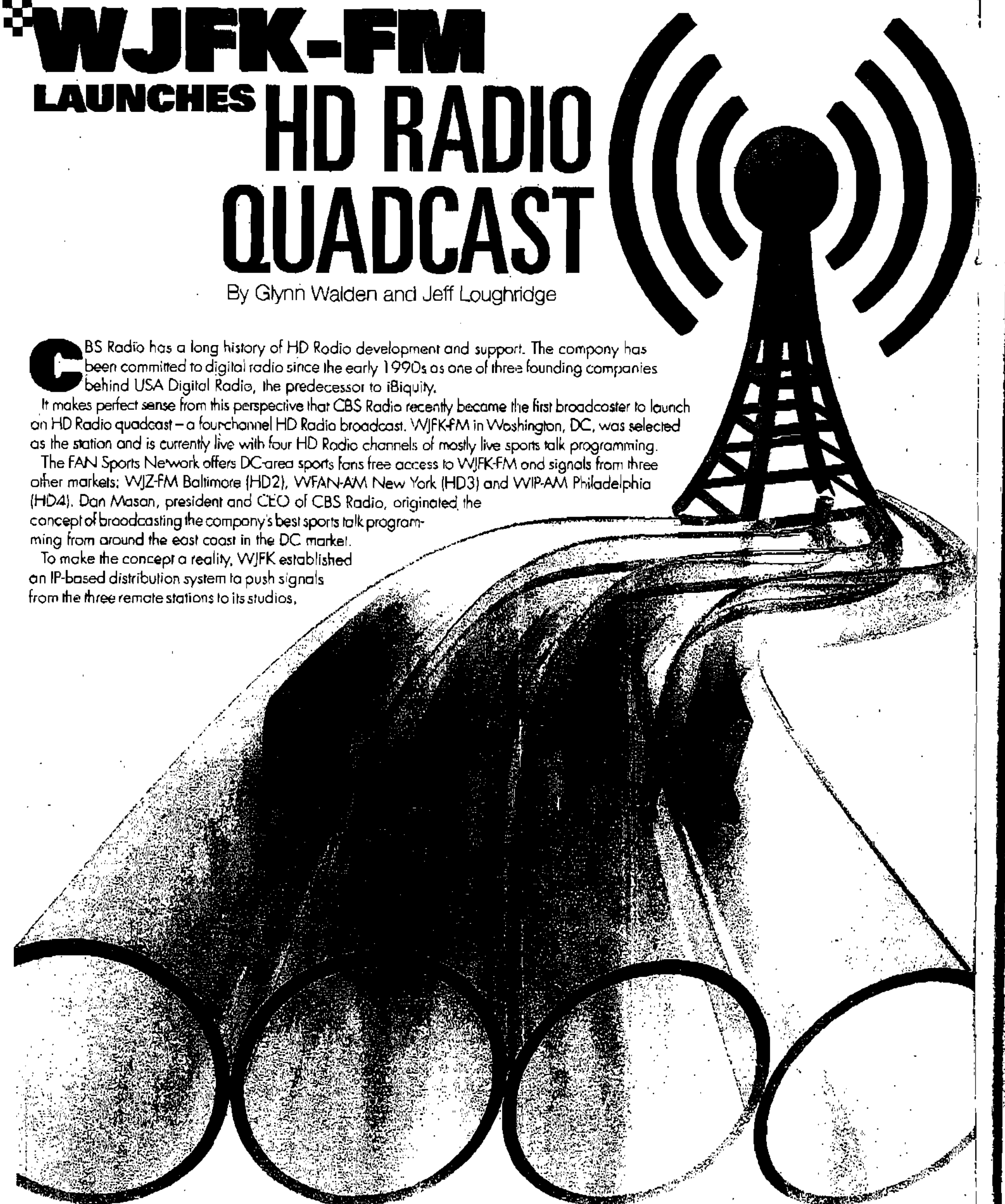
A great idea for HD Radio multicast use: Bring popular stations from one market to another. CBS Radio is bringing four of its most recognizable and listened to stations to HD Radio receivers in a number of markets outside of their broadcast area. Beginning 10/30, New York's WFAN Sportsradio 66 The Fan, the most listened to sports station in the country will be available to listeners in three Florida cities. WOCL-FM HD3 (105.9) in Orlando, WLLD-FM HD3 (94.1) in Tampa and WEAT-FM HD3 (104.3) in West Palm Beach. They will all carry WFAN's sports programming. The World Famous KROQ in Los Angeles, the nation's most listened to rock station, also launched in the San Diego through KSCF-FM HD2 (103.7) on 10/30. In turn, KSCF-FM (Sophie @103.7) has been made available to Los Angeles audiences via KAMP-FM HD2 (97.1). Early next month, sports fans in Hartford will find WBZ-FM, The Sports Hub, on their local WTIC-FM HD3 (96.5).

**RBR-TVBR observation**: This should be studied—for ad sales. While some may say this is just another reason HD Radio is underperforming in many markets and that they should be programming and marketing new local format ideas, in reality, this may be very sell-able in these other markets. With HD Radio multicast channels, if you can come up with a way to monetize them, do it. We're all still in the experimental phase here, and this is a great way to test if "super stations" from other markets can be sold locally in others.

TO ROBERT JACOBI

# WJFK-FM LAUNCHES HD RADIO QUADCAST

By Glynn Walden and Jeff Loughridge



CBS Radio has a long history of HD Radio development and support. The company has been committed to digital radio since the early 1990s as one of three founding companies behind USA Digital Radio, the predecessor to iBiquity.

It makes perfect sense from this perspective that CBS Radio recently became the first broadcaster to launch an HD Radio quadcast – a four-channel HD Radio broadcast. WJFK-FM in Washington, DC, was selected as the station and is currently live with four HD Radio channels of mostly live sports talk programming.

The FAN Sports Network offers DC-area sports fans free access to WJFK-FM and signals from three other markets: WJZ-FM Baltimore (HD2), WFAN-AM New York (HD3) and WIP-AM Philadelphia (HD4). Dan Mason, president and CEO of CBS Radio, originated the concept of broadcasting the company's best sports talk programming from around the east coast in the DC market.

To make the concept a reality, WJFK established an IP-based distribution system to push signals from the three remote stations to its studios, TVNewsCheck - The Business of Broadcasting

QUARTERLY REPORT

# CBS TV Stations Revenue Up 29% In 1Q

**By Staff**
TVNewsCheck, May 5 2010, 4:16 PM ET

CBS Corp. on Wednesday afternoon reported results for the first quarter of 2010 that included a 29% increase in revenue for its CBS Television Stations to $323.7 million from $250.9 million due to the improved advertising marketplace and higher political advertising sales.

"I could not be more pleased with how CBS performed in the first quarter of this year, and I'm confident that Leslie and his management team will build on this success as the economy continues to recover," said Sumner Redstone, executive chairman, CBS Corp. "We've focused on strengthening our already solid financial position, building new efficiencies throughout the company, and investing in our top-quality content businesses -- and I look forward to all that we will do to build on these accomplishments this year and beyond."

"We got off to a tremendous start in 2010, as our businesses across the company capitalized on the improving operating environment," said Leslie Moonves, CBS president-CEO.

"Network television is enjoying a robust scatter market, and with CBS in first place, we will be able to monetize what promises to be a very active upfront. Our strength in primetime also establishes CBS as a leading beneficiary of the dual-revenue-stream broadcast model that continues to emerge, rewarding us not only with strong advertising revenues, but also a growing share of the retransmission consent fees that have now become a fact of the business.

"In addition, we're building our other recurring revenue streams, including syndication and premium cable -- a business that continues to achieve new financial and creative highs. Meanwhile, the economic recovery has also been a boon to our expanding Interactive platform, and our local TV and radio operations, which are in the midst of a dramatic upswing. Ad sales and pacing for these businesses have been up sharply so far this year, and we expect political advertising to heat up as the November elections approach.

"As importantly, with our lower cost structure throughout the Company, the revenue growth we're seeing is translating to higher margins. Going forward, we'll maintain our focus on expenses, and add to the recent steps we've taken to strengthen our balance sheet and deliver value to shareholders. As always, we will keep creating and distributing the absolute best content out there. That remains the best strategy for success both today and well into the future."

For the company as a whole, CBS posted revenue of $3.53 billion for the first quarter of 2010, an increase of 12% from $3.16 billion for the same quarter last year

Adjusted net earnings for the first quarter of 2010 were $34.3 million versus a net loss of $36.0 million for the same quarter last year and adjusted diluted earnings per share were $.05 in 2010 compared to a loss of $.05 per diluted share in 2009.

Read the company's report here



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